



EPA Budget

Context & History

November 2020



Introduction

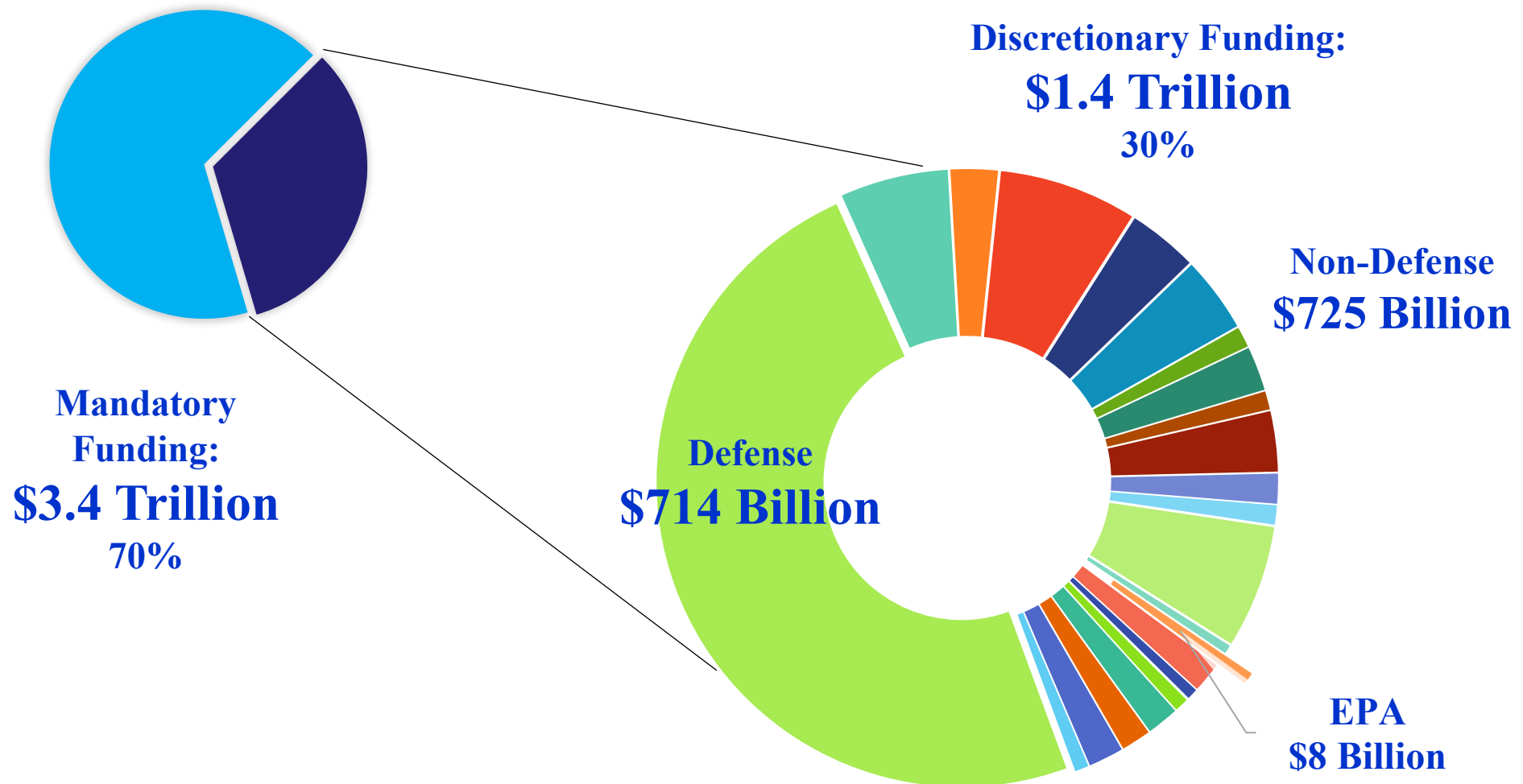
The following slides show the EPA budget in several ways, including :

- In the context of the total Federal budget
- Historical EPA budgets (adjusted for inflation)
- Major Environmental Statutes
- EPA Sources of Funding
- EPA Budget Statistics
 - e.g. by appropriation, by organization, type of spending, etc.
- State and Tribal Funding
- Historical Trends compared to other Science and Natural Resources Agencies



EPA in the Total Federal Budget

Estimated Total U.S. Federal FY 2020 Outlays: \$4.8 Trillion

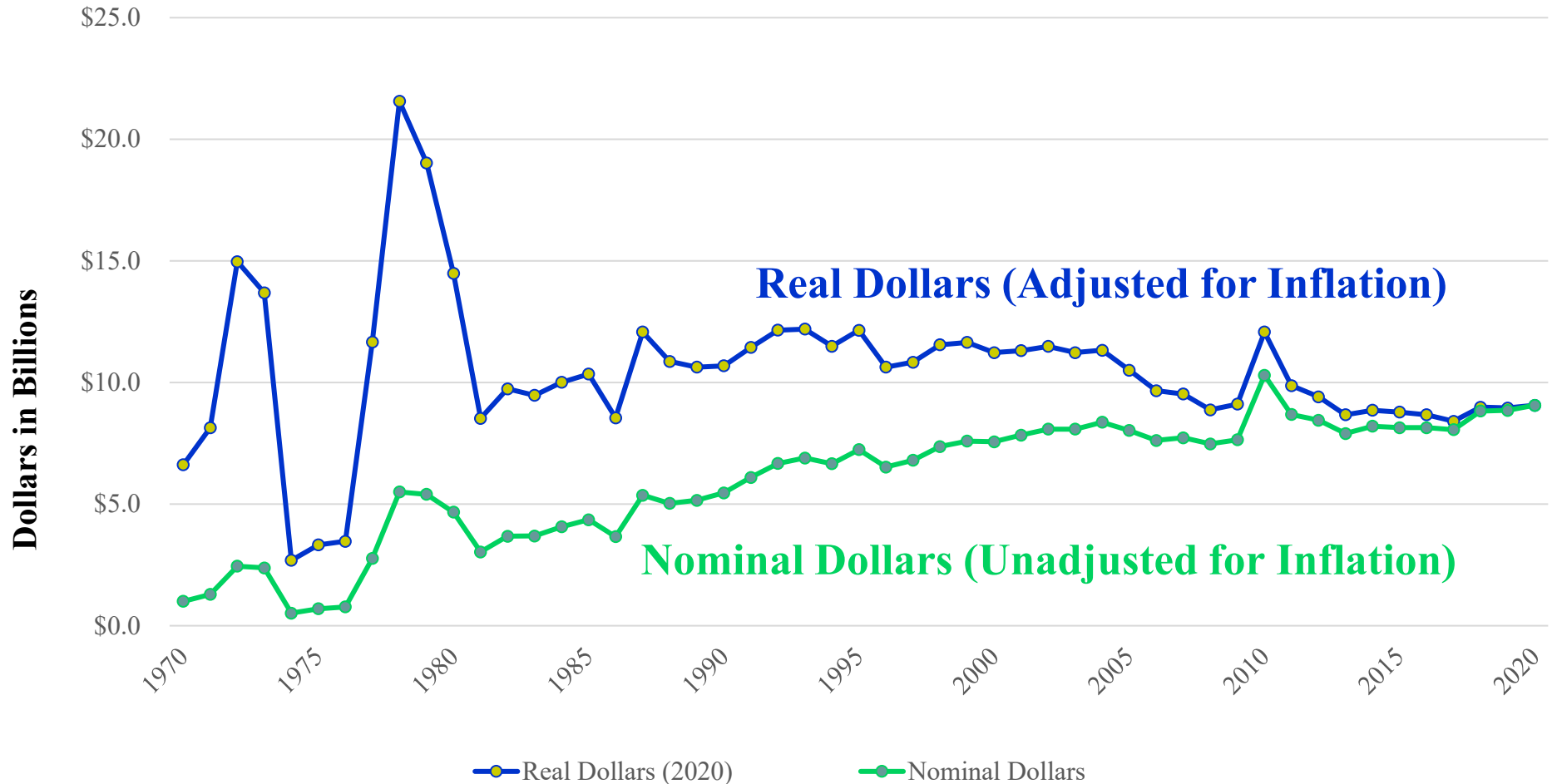


- EPA's estimated FY 2020 outlays were \$8 billion, which is about 0.2% of total Federal outlays and 0.5% of discretionary outlays.



EPA Enacted Budget since 1970

Real Dollars (Inflation Adjusted) 1970 to 2020



- Adjusted for inflation, since the 1990s, EPA's enacted budgets have declined from over \$12 billion to a bit more than \$9 billion.



EPA Major Legislation

Year passed and major amendments

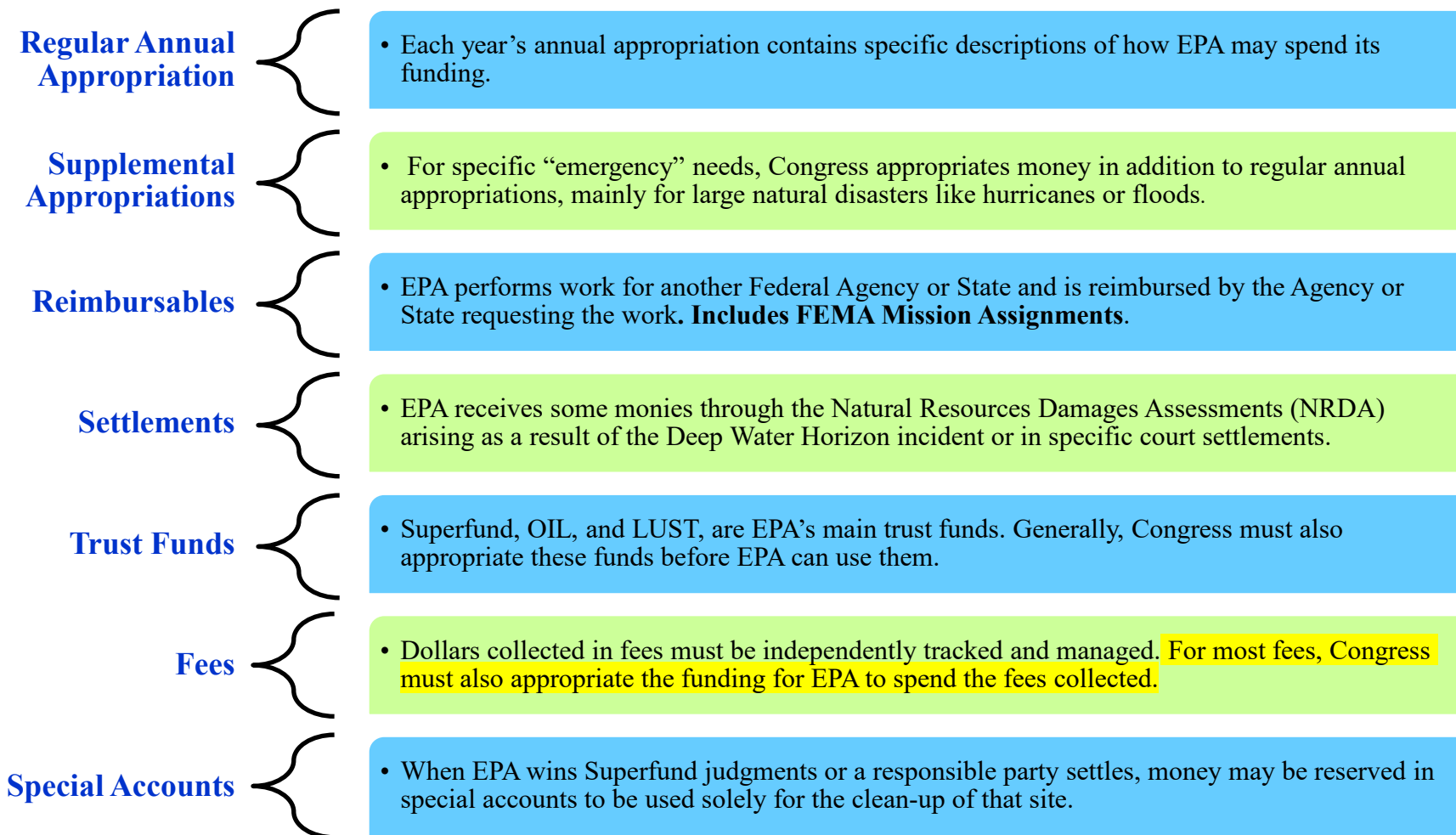


- **National Environmental Policy Act (NEPA)** 1969
- **Clean Air Act (CAA)** – 1970, amended 1977, 1990
- **Clean Water Act (CWA)** – 1972, amended 1977, 1987
- **Safe Drinking Water Act (SDWA)** 1974, amended 1996
- **Resource Conservation and Recovery Act (RCRA)**, 1976, amended 1984, 1986
- **Toxic Substances Control Act (TSCA)**, 1976, 2016 (TSCA 21, Frank R Lautenberg Chemical Safety for the 21st Century)
- **Superfund (Comprehensive Environmental Response, Compensation and Liability Act, CERCLA)** 1980, amended 1986
- **Pollution Prevention Act, 1990**
- **Federal Insecticide, Fungicide and Rodenticide Act (FIFRA)** 1996
- *Each year's appropriations and report language also contains requirements for the Agency.*

EPA's Overall Funding Sources



- EPA organizations use dollars from different sources, with different rules and requirements. Majority of funds generally come from Annual Appropriations.





EPA Budget Structure

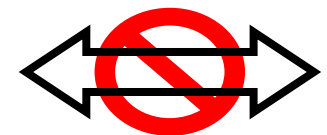
EPA's dollars and FTE are managed and tracked in detail by:

Appropriation	<p>EPA has 10 major appropriations</p> <ul style="list-style-type: none"> <i>EPA may <u>not</u> move any funding from one appropriation to another without statutory authority.</i>
National Program Manager (NPM)	<p>All of EPA's dollars are tracked according to their national program (e.g. water, enforcement, land, pesticides or air).</p>
Organization	<p>The NPM or Region that manages the funds? (Called Resource Planning Implementation Operation (RPIO) in EPA's systems). Most national programs designate separate "allowance holders" within their organization.</p>
Program Project	<p>Major components of each program. EPA's Congressional Justification describes each program/project, as well as activities, performance plans and targets, and proposed budget changes compared to the previous fiscal year Congressional Justification. Program Projects can be funded in several appropriations and can include more than one NPM.</p> <ul style="list-style-type: none"> Program Area – <i>A program area includes multiple program/projects that comprise and support the work of that area.</i>
Budget Object Class (BOC)	<p>Federal dollars must be tracked according to how they were used.</p> <p>EPA's BOCs are:</p> <p>10 - Personnel Compensation & Benefits (PC&B) / 17 – FTE / 21 – Travel / 28 - Site Travel / 36 - Expenses / 37 – Contracts / 38 - Working Capital Fund / 41 - Grants</p>



EPA Appropriations

1. State and Tribal Assistance Grants (STAG)
2. Environmental Programs & Management (EPM)
3. Hazardous Substance Response Trust Fund (Superfund, SF)
4. Science & Technology (S&T)
5. Leaking Underground Storage Tanks Trust Fund (LUST)
6. Buildings and Facilities (B&F)
7. Oil Spill Liability Trust Fund (Oil)
8. Inspector General (IG)
9. E-Manifest
10. WIFIA

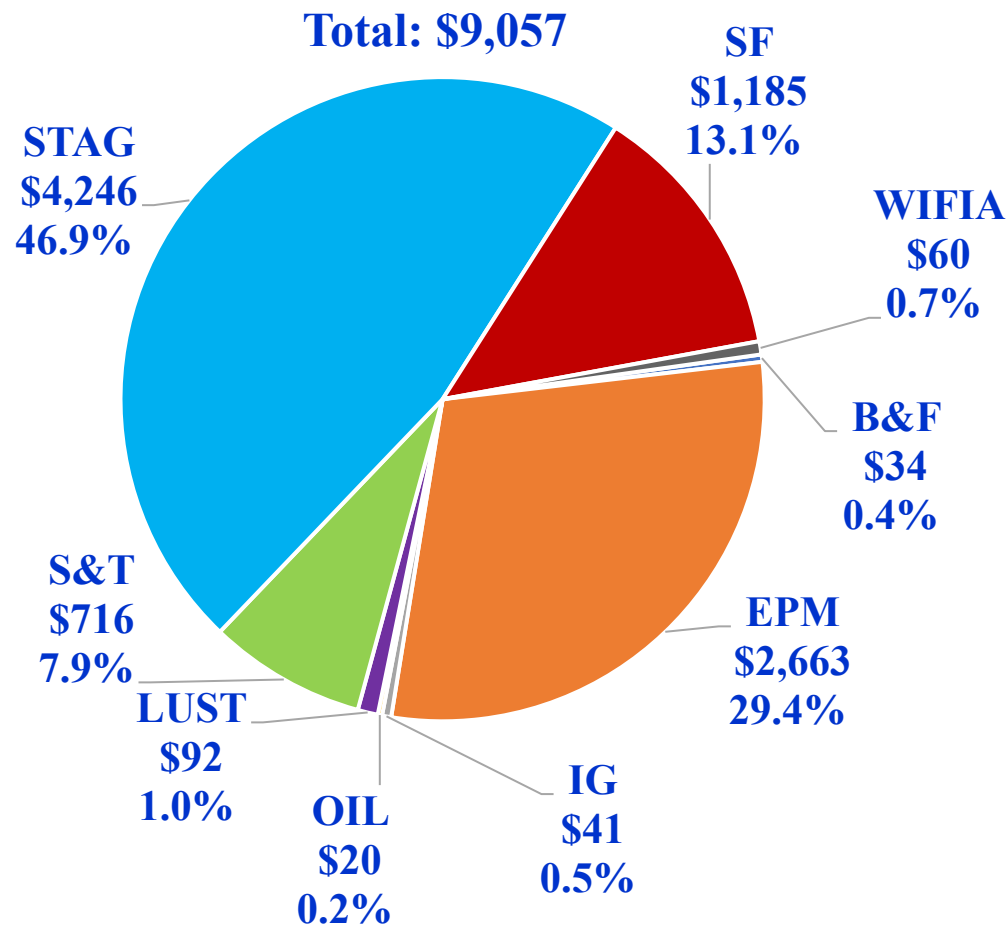


→ **EPA may NOT move funds across appropriations**

- SF transfer to S&T and IG only exception and is directed in the Appropriation

EPA's Budget by Appropriation

FY 2020 Enacted Budget, Dollars in Millions



- Buildings & Facilities (B&F)
- Inspector General (IG)
- Leaking Underground Storage Tanks (LUST)
- State & Tribal Assistance Grants (STAG)
- Water Infrastructure Finance & Innovation Program (WIFIA)
- Environmental Programs & Management (EPM)
- Inland Oil Spill Programs (OIL)
- Science & Technology (S&T)
- Hazardous Substance Superfund (SF)



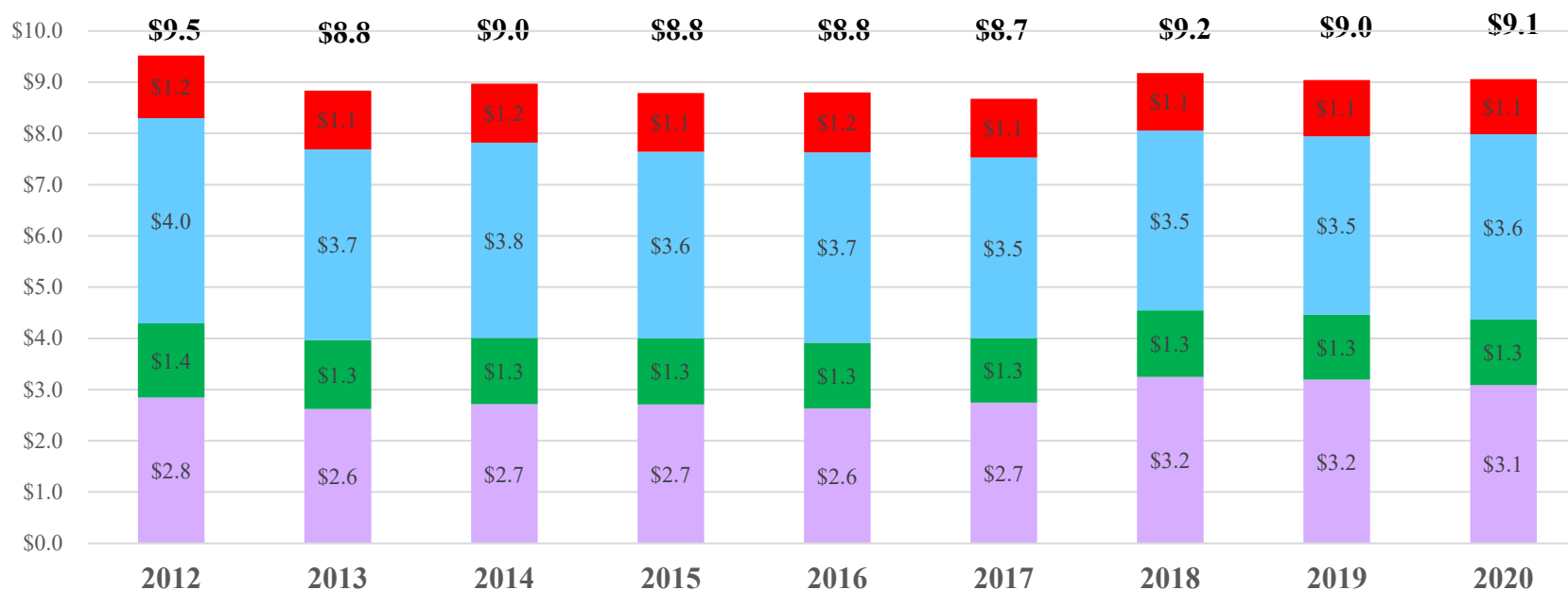
EPA Budget by Type of Spending

Adjusted Inflation – Adjusted Dollars in Billions by Fiscal Year



The EPA's Budget has 4 major types of funding (color coded below):

- 1) **Categorical Grants** – Funds state, local, and tribal air, water, waste and other environmental programs (within STAG appropriation)
- 2) **Operating Budgets** – Funds payroll, support costs, contracts and some grants for EPA's regulatory, monitoring, enforcement and other core programs. (EPM, S&T and B&F)
- 3) **Trust Funds** – Superfund, LUST, OIL trust funds pay for immediate response and long term clean up for Superfund, storage tank and oil spill sites respectively (must be appropriated)
- 4) **Infrastructure Funding** – Majority is the Clean and Drinking Water State Revolving Funds (SRFs) that provide low interest loans and/or loan subsidies for water projects (within STAG)



Adjusting for inflation, EPA's Categorical Grants, Operating Budgets and Trust Fund spending declined and Infrastructure increased by about 10%.

EPA's Organization



The EPA is organized into 12 National Program Managers (NPMs) and 10 Regions

- These 22 organizations take the primary responsibility for managing funds
- Most NPMs have operations in Washington DC area and in the Regions
- Some NPMs also directly manage field offices around the country, such as research laboratories or Research Triangle Park (RTP) in North Carolina.

The NPMs are called the Offices of:

- Administrator (OA or AO)
- Air & Radiation (OAR)
- Chief Financial Officer (OCFO)
- Chemical Safety and Pollution Prevention (OCSPP)
- Enforcement and Compliance Assistance (OECA)
- General Counsel (OGC)
- Inspector General (OIG)
- International and Tribal Affairs (OITA)
- Land and Emergency Response (OLEM)
- Mission Support (OMS)
- Research And Development (ORD)
- Water (OW)

The EPA Regions are located in the 10 Federal Cities and manage operations and relationships with the surrounding states (listed for each).

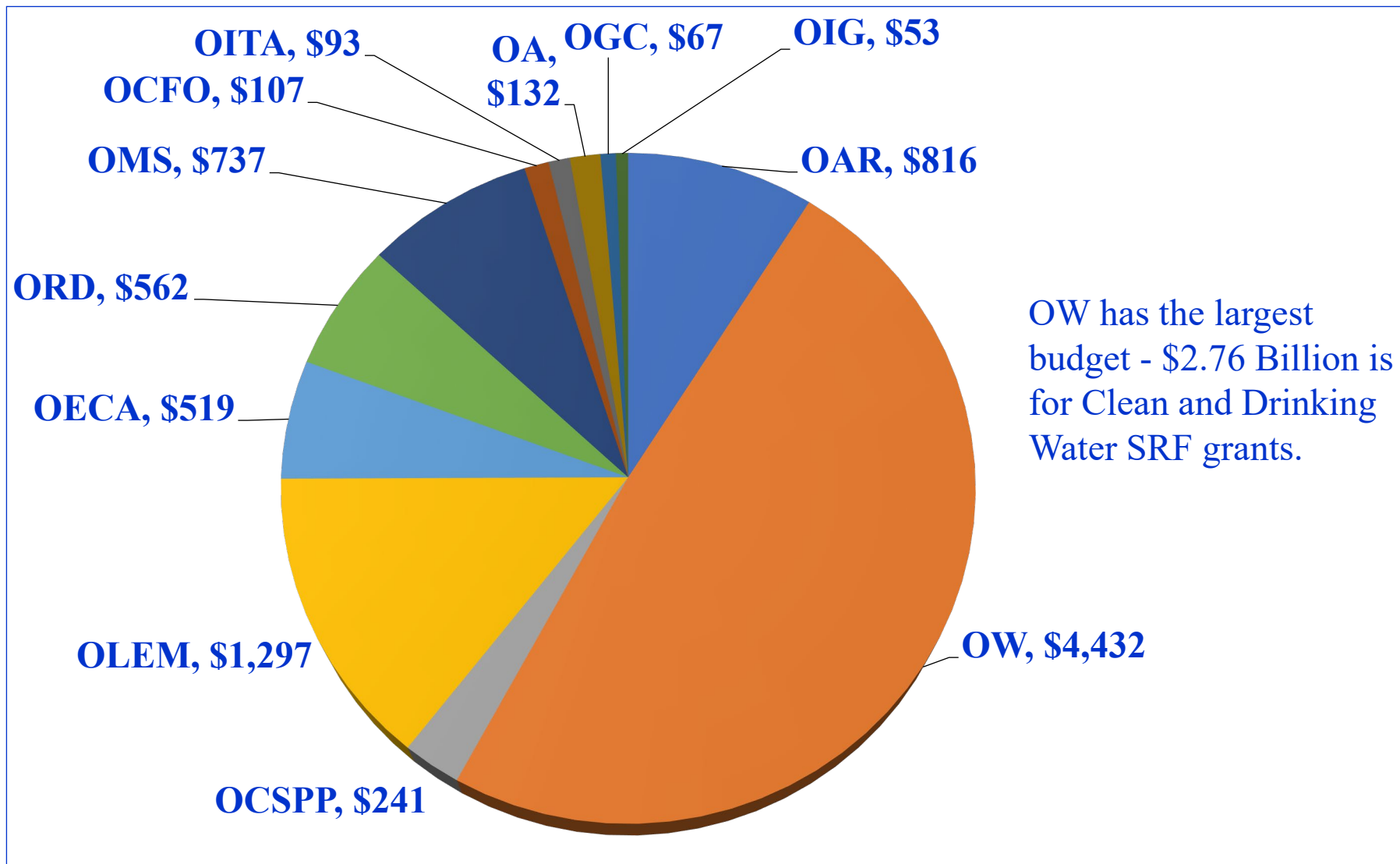
1. Boston, (MA, CT, ME, MA, NH, RI, VT)
2. New York, NY (NJ, NY, PR, USVI)
3. Philadelphia, PA (DE, DC, MD, PA, VA, WV)
4. Atlanta, GA (AL, FL, GA, KY, MS, NC, SC, TN)
5. Chicago, IL (IL, IN, MI, MN, OH, WI)
6. Dallas, TX (AR, LA, NM, OK, TX)
7. Kansas City, KS (IA, KS, MO, NE)
8. Denver, CO (CO, MT, ND, SD, UT, WY)
9. San Francisco, CA (AZ, CA, HI, NV, Pacific Islands)
10. Seattle, WA (AK, ID, OR, WA)

- Roughly half of the EPA's employees work in the Regions, one-third work in the DC metro area reporting to the NPMs directly, and about one-sixth work in laboratories and field offices around the country but report directly to the NPM.



EPA Budget by National Program Manager

FY 2020 Enacted, Dollars in Millions

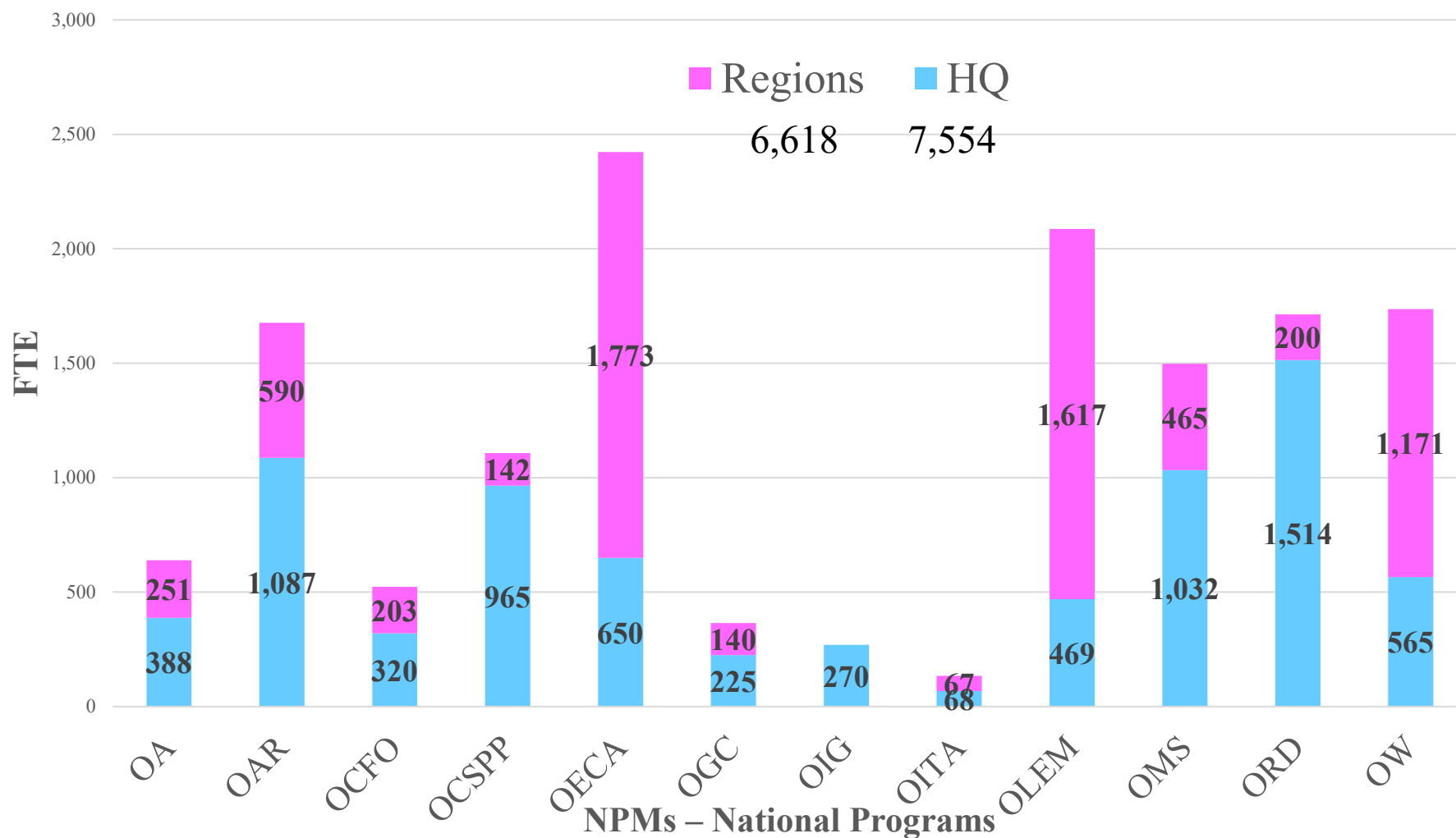




Staffing by EPA National Program Federal Employees



Full Time Equivalents (FTE) in FY 2020 Enacted
HQ / Regional Split



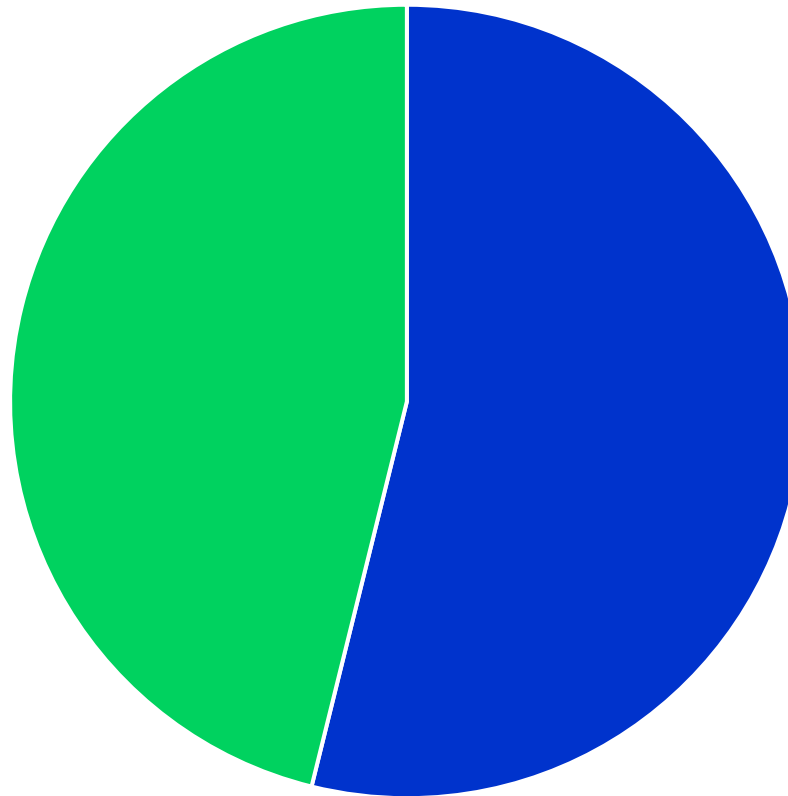


States & Tribes Direct Funding as Portion of the EPA Budget



FY 2020 Enacted

**State and
Tribal Funding**
46%
\$4.2 Billion



**All Other EPA
Funding**
54%
\$4.9 Billion

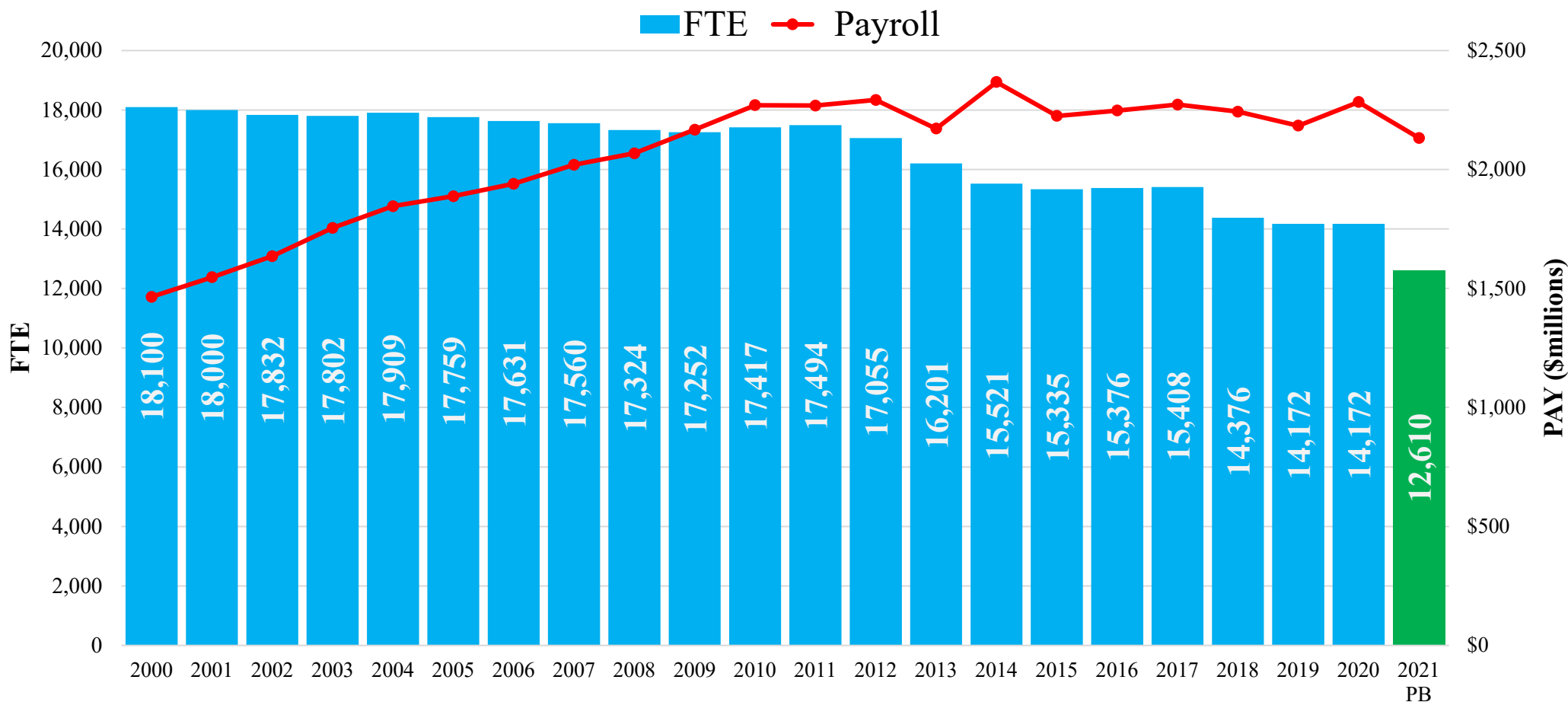
- **46% of the EPA's FY 2020 Enacted Budget goes to States & Tribes as grants.** This includes State and Tribal Assistance Grants, which fund ongoing state and tribal environmental programs (including staff); and Clean Water and Drinking Water State Revolving Funds, which provide loans for water infrastructure; as well as some other grant programs.
 - Over 90% of EPA's grants go directly to states and tribes through formula grants. The remaining are competitive grants that may go to states, tribes or may be given to other entities.



FTE & PAYROLL

FY 2000-2020 ENACTED OPERATING PLAN

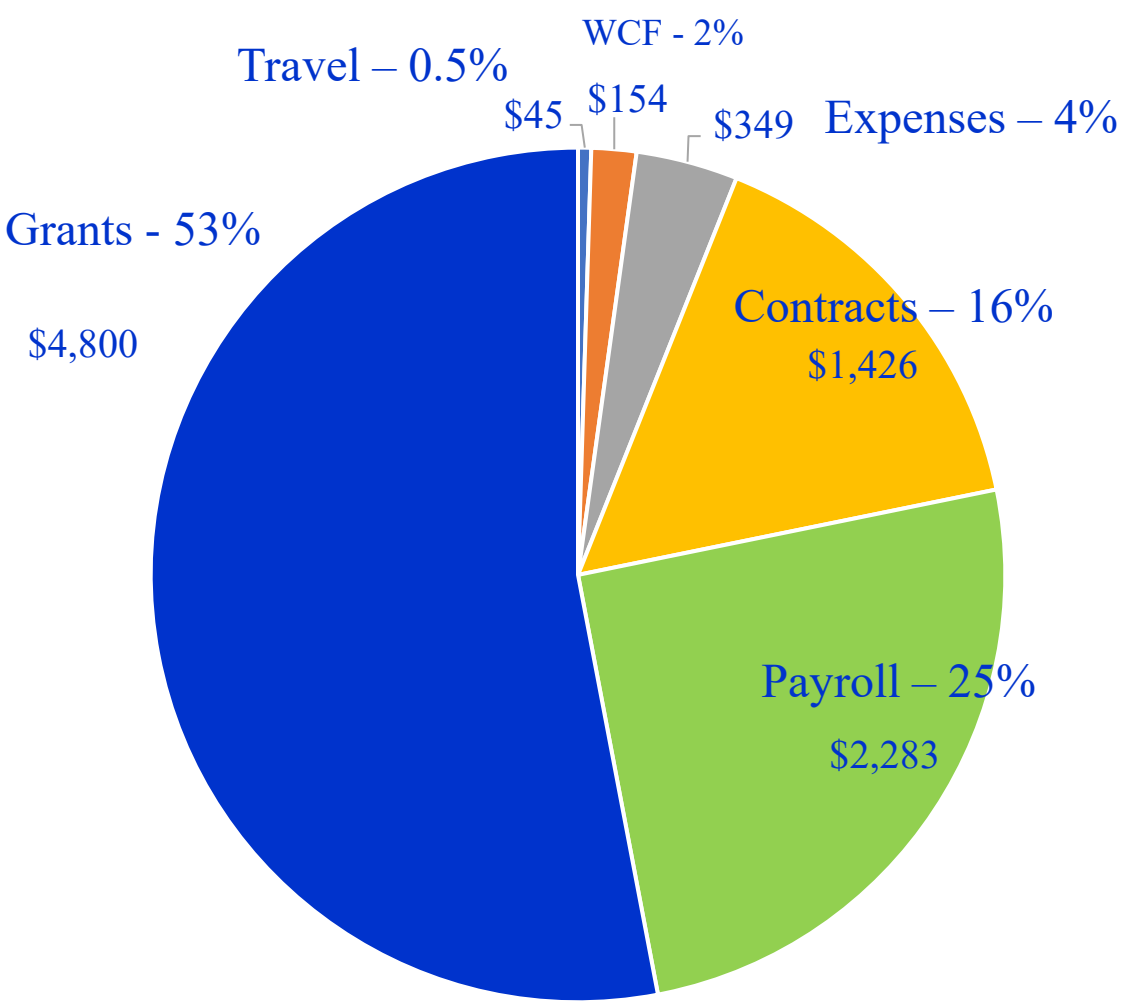
FY 2021 PRESIDENT'S BUDGET



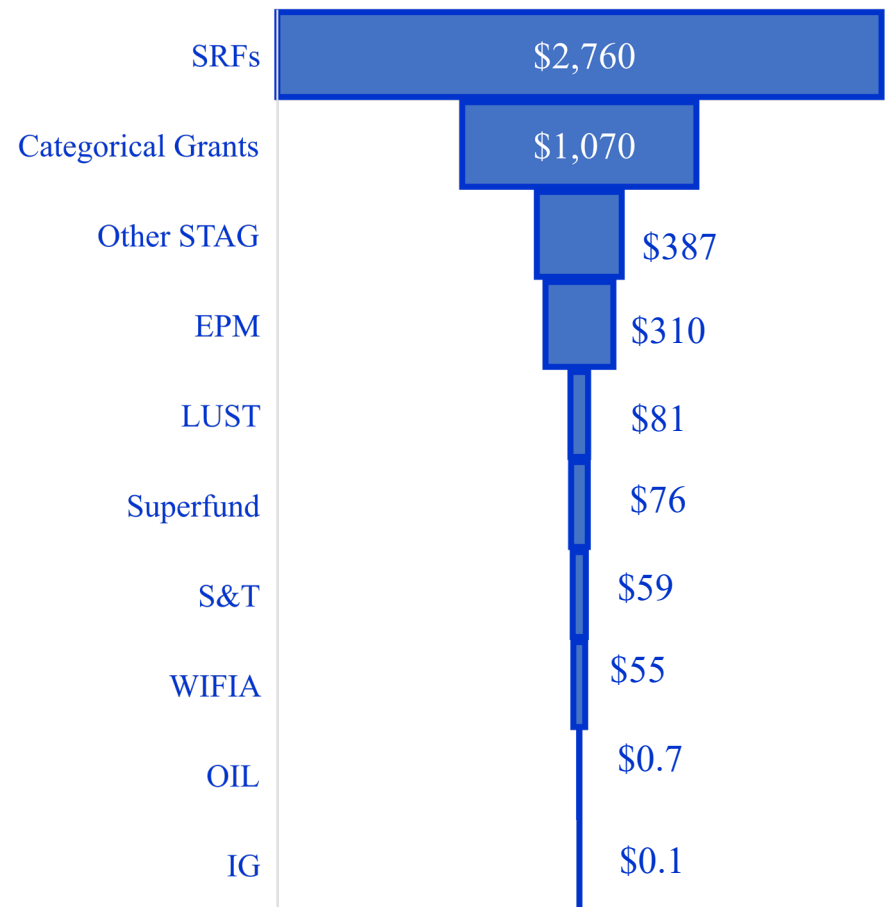
- Payroll Costs keep rising due to Cost-of-Living (COLA) pay increases, increased benefits costs (particularly health care), and employee step increases.
- Since FY 2000, despite 3,900 fewer FTE, payroll is up by \$800 million.



How EPA Spends its Dollars (by Object Class) EPA FY 2020 Enacted Budget



EPA Grants by Grant Category

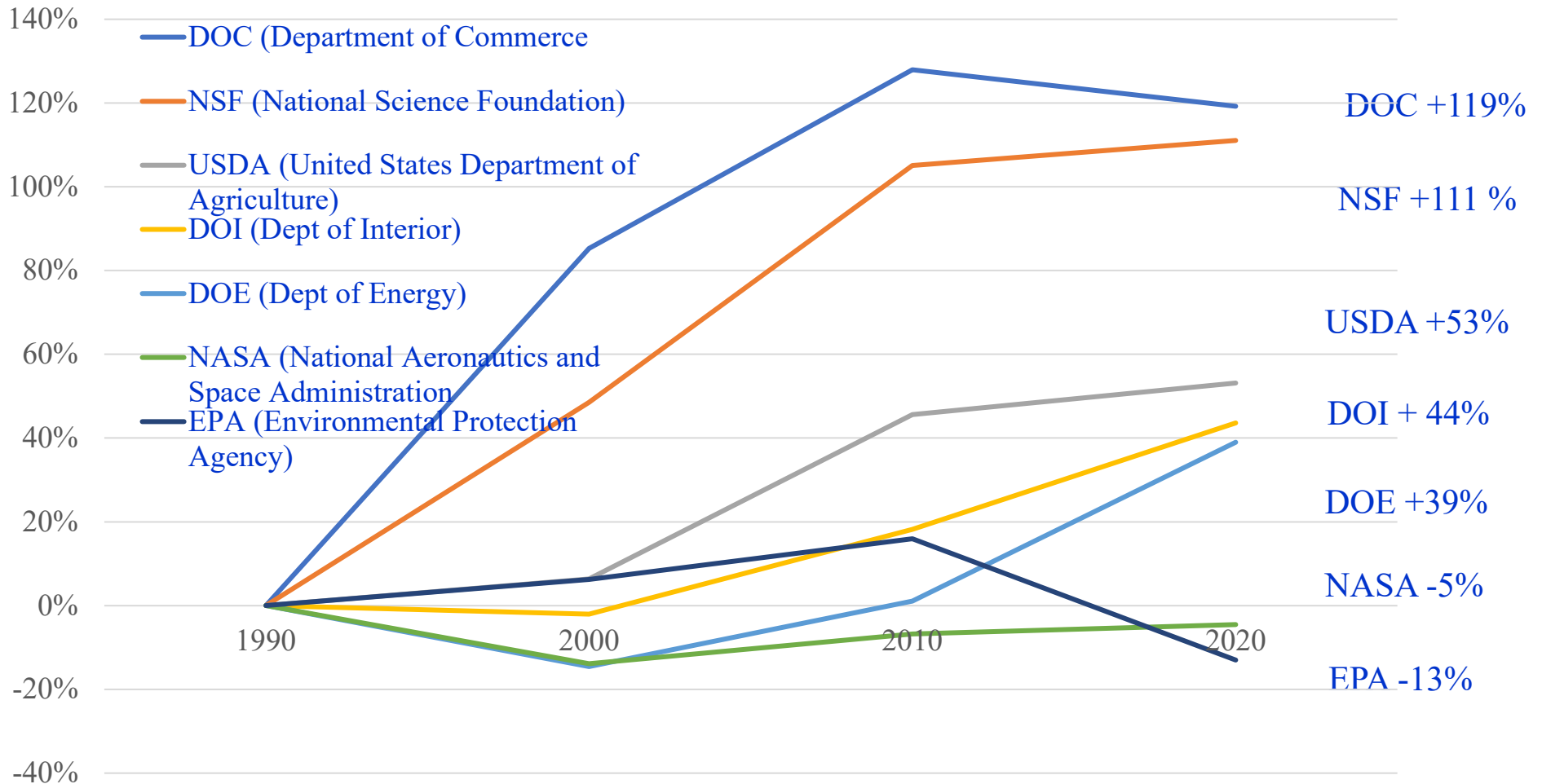


Scientific and Natural Resource Agencies

Comparable Budget Increases Using Constant, Inflation-adjusted Dollars



1990 to 2020 % Increase by Agency Inflation Adjusted Dollars



- EPA had the smallest budget growth since 1990 and was one of only two agencies to see a decrease from 2010.